

Prepared: February 8, 2021  
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## **Basic/Police Pension Plans and OPEB Trust Contract and Purchasing Policy**

**Purpose:** To execute contracting fiduciary responsibility and due diligence in the procurement of professional services and goods in the administration of the Basic and Police Pension Plans and the OPEB Trust (“Plans”) for the exclusive benefit of the beneficiaries and participants as well as ensuring reasonable administration expenses.

**Authority:**

**Retirement Board-** per the City Code: Sec. 30-116., Retirement board; powers and duties, the Trustees are authorized as stated below:

“The general administration of and responsibility for the operation of the city's basic and police pension plans (hereafter referred to jointly as the "plans") and the trust fund for post-employment benefits other than pensions shall be vested in the retirement board of the city (hereafter referred to as the "board"). The board's powers and duties shall include, but are not limited to the following:

(1) Selection of the person or other entity that will handle the investments, administration, and actuarial evaluation of the city's plans, including the other post-employment benefits (OPEB); ...”

**Plan Administrator-** per the designation by City Council and pursuant to the delegation of key administrative functions the Plan Administrator is responsible for ensuring compliance with this adopted policy.

**Purchasing Manager-** the fiscal and accounting management of the Plans is administered by the City. Therefore the Purchasing Agent is responsible, in coordination with the Retirement Board and Pension Plan Administrator, for the procurement of all goods, services, insurance and construction for the plan administration.

**Policy:**

This policy incorporates by reference Council adopted Res. 2018-39 adopting the City of Falls Church Purchasing Resolution, and accompanying implementation manual, therefore:

- Competition always encouraged;
- Shall not discriminate against a vendor because of race, religion, color, sex, national origin, age, disability, status as a service-disabled veteran, or other basis prohibited by state law relating to discrimination in employment;
- Dedicated to securing high quality goods and services at reasonable cost while ensuring: that all purchasing actions be conducted in a fair and impartial manner with no impropriety or appearance thereof; that all qualified vendors have access to City business;

and that no offeror be arbitrarily or capriciously excluded from participation in the procurement; that procurement procedures involve openness and administrative efficiency, and that the maximum feasible degree of competition is achieved;

Furthermore, this policy incorporates by reference the Retirement Board adopted Ethics policy, readopted February 11, 2021, in that the Board members and City staff must, at all times, conduct themselves in a manner that avoids favoritism, bias, and the appearance of impropriety. The ethics policy provides a general summary of the restraints upon the conduct of all Board members and City staff. One specific requirement, relating to the contract and purchasing policy, is that no Board member or employee shall Solicit or accept anything of value from anyone doing business with the Board or System.

**Procedures:**

- Competition: All City contracts with nongovernmental contractors for the purchase or lease of goods, or for the purchases of services, insurance, or construction, shall be awarded after a competitive sealed bidding or competitive negotiation with the following exceptions:
  - Small Purchase - Any purchase or lease of goods, professional, consultant, or nonprofessional services, or for the purchase of insurance, construction, or construction management, when the estimated cost is less than \$10,000, shall be deemed a small purchase and shall not be subject to the rules governing the formal competitive bidding process.
  - Sole/Best Practicable Source - Upon a determination in writing by the Purchasing Agent that there is only one source practicably available for that which is to be procured, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation. A written record documenting the basis for this determination shall be included in the appropriate contract file or other records of the procurement. In addition, a notice shall be posted on the City web site and other appropriate websites stating the basis for the award and identifying the goods or services being procured, the selected contractor and the date of contract award.
- Review Schedule: Maintain a review cycle to ensure all contracts are assessed and competed, as appropriate, every 5-8 years to ensure best quality and price of the services and goods. In order to maintain this review schedule, in general, it is the Board's intention that one competitive contract procurement request for purchase (RFP) from the list of Contracts below will be processed annually.
- Contracts: Below are the contracts that require routine procurement review. Investment fees and commissions excluded from this requirement due to State and City code as cited below. This list is illustrative and not inclusive:
  - Financial Advisory Services (i.e. investment consulting, research and analysis)
  - Record Keeping
  - Benefit Administration
  - Investment Custodial Services
  - Actuarial Services\*

- Legal Services\*\*

\*competitive procurement recommended although the selection of services related to the management, purchase, or sale of authorized investments, actuarial services, and disability determination services shall be governed by the standard of care in Code of Virginia §51.1-124.32 and are exempt under the provisions of the Virginia Purchasing and Procurement Act (VPPA).

\*\*the City, or Retirement Board as delegated under City Code Sec. 30-116, may enter into legal contracts without competition for (1) the purchase of legal services; and (2) expert witnesses or other services associated with litigation or regulatory proceedings. Any contract for Legal Services may be entered into upon terms established by the City Attorney with concurrence of the Retirement Board or Pension Plan Administrator per specified thresholds.

- Contract Approval Thresholds: the below listed thresholds are established to ensure competition, separation of duties, and monitoring of duties as well as the ability to respond timely to unexpected, ad hoc, but important plan administration needs. Except in the following circumstances, the Trustees will approve all fees paid from the Plans:
  - Up to \$3,000 approval by Plan Administrator authorized, only if the delay to the next quarterly Retirement Board meeting negatively impacts plan administration, in which case the Plan Administrator will use best effort to confirm approval with the Chair or Vice-Chair;
  - \$3,001 up to \$10,000 approval by either the Chair or Vice-Chair, only if the delay to the next quarterly Retirement Board meeting negatively impacts plan administration;
  - \$10,001 and above approval by the Trustees is required; and
  - Trustees may delegate in advance to the Plan Administrator the ability to approve expenses for services or goods up to a specific dollar amount.
- Accounting: all requisitions and invoices will be processed through the City's Financial ERP system (MUNIS) pursuant to the Purchasing Manual